

AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1833

Introduced by Assembly Member Anderson

January 23, 2008

~~An act relating to crime.~~ *An act to amend Section 53545 of, and to add Section 33334.2b to, the Health and Safety Code, relating to housing.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1833, as amended, Anderson. ~~Crime: public safety.~~ *Housing: rehabilitated, foreclosed, and distressed housing.*

(1) The Community Redevelopment Law requires a redevelopment agency to allocate not less than 20% of the tax-increment revenue allocated to a redevelopment agency to be used to increase, improve, and preserve the supply of the community's low- and moderate-income housing within the territorial jurisdiction of the agency, and, for this purpose, the funds are held in a separate Low and Moderate Income Housing Fund.

This bill would authorize a redevelopment agency to expend money from the Low and Moderate Income Housing Fund to purchase homes that are in foreclosure and are owned by persons of low or moderate income residing within its jurisdiction. The bill would require that funds be expended pursuant to these provisions in a manner that preserves the exemption from federal and state income taxes of interest on the bonds or notes issued by the agency under the Community Redevelopment Law.

(2) The Housing and Emergency Shelter Trust Fund Act of 2006 authorizes the issuance of bonds in the amount of \$2,850,000,000

pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be deposited in the Housing and Emergency Shelter Trust Fund of 2006, which the act establishes in the State Treasury, and used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

This bill would require the Department of Housing and Community Development, to the extent allowed under the act, to require a recipient of a loan or grant under the act to implement any program or project funded under the loan or grant by purchasing and making available, to the maximum extent feasible, housing that has been rehabilitated, has been the subject of foreclosure, or is at immediate risk of foreclosure.

~~Existing law contains provisions to protect the public's safety by criminalizing specified conduct.~~

~~This bill would state the intent of the Legislature to enact legislation to protect the public's safety.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 33334.2b is added to the Health and
2 Safety Code, to read:

3 33334.2b. The agency may expend money from the Low and
4 Moderate Income Housing Fund, set forth in Section 33334.3, to
5 purchase homes that are in foreclosure and are owned by persons
6 of low or moderate income residing within its jurisdiction. To the
7 extent that revenue from bonds are expended for this purpose, the
8 funds shall be expended pursuant to this section in a manner that
9 preserves the exemption from federal and state income taxes of
10 interest on the bonds or notes issued by the agency under this
11 division.

12 SEC. 2. Section 53545 of the Health and Safety Code is
13 amended to read:

14 53545. The Housing and Emergency Shelter Trust Fund of
15 2006 is hereby created in the State Treasury. The Legislature
16 intends that the proceeds of bonds deposited in the fund shall be
17 used to fund the housing-related programs described in this chapter
18 over the course of the next decade. The proceeds of bonds issued

1 and sold pursuant to this part for the purposes specified in this
2 chapter shall be allocated in the following manner:

3 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
4 to be deposited in the Affordable Housing Account, which is
5 hereby created in the fund. Notwithstanding Section 13340 of the
6 Government Code, the money in the account shall be continuously
7 appropriated in accordance with the following schedule:

8 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
9 shall be transferred to the Housing Rehabilitation Loan Fund to
10 be expended for the Multifamily Housing Program authorized by
11 Chapter 6.7 (commencing with Section 50675) of Part 2. The
12 priorities specified in Section 50675.13 shall apply to the
13 expenditure of funds pursuant to this clause.

14 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
15 the Housing Rehabilitation Loan Fund to be expended under the
16 Multifamily Housing Program authorized by Chapter 6.7
17 (commencing with Section 50675) of Part 2 for housing meeting
18 the definitions in paragraphs (2) and (3) of subdivision (e) of
19 Section 11139.3 of the Government Code. The department may
20 provide higher per-unit loan limits as necessary to achieve
21 affordable housing costs to the target population. Any funds not
22 encumbered for the purposes of this clause within 30 months of
23 availability shall revert for general use in the Multifamily Housing
24 Program.

25 (B) One hundred ninety-five million dollars (\$195,000,000)
26 shall be transferred to the Housing Rehabilitation Loan Fund to
27 be expended for the Multifamily Housing Program authorized by
28 Chapter 6.7 (commencing with Section 50675) of Part 2, to be
29 used for supportive housing for individuals and households moving
30 from emergency shelters or transitional housing or those at risk of
31 homelessness. The Department of Housing and Community
32 Development shall provide for higher per-unit loan limits as
33 reasonably necessary to achieve housing costs affordable to those
34 individuals and households. For purposes of this subparagraph,
35 “supportive housing” means housing with no limit on length of
36 stay, that is occupied by the target population, as defined in
37 subdivision (d) of Section 53260, and that is linked to onsite or
38 offsite services that assist the tenant to retain the housing, improve
39 his or her health status, maximize his or her ability to live, and,

1 when possible, work in the community. The criteria for selecting
2 projects shall give priority to:

3 (i) Supportive housing for people with disabilities who would
4 otherwise be at high risk of homelessness where the applications
5 represent collaboration with programs that meet the needs of the
6 person's disabilities.

7 (ii) Projects that demonstrate funding commitments from local
8 governments for operating subsidies or services funding, or both,
9 for five years or longer.

10 (C) One hundred thirty-five million dollars (\$135,000,000) shall
11 be transferred to the fund created by subdivision (b) of Section
12 50517.5 to be expended for the programs authorized by Chapter
13 3.2 (commencing with Section 50517.5) of Part 2.

14 (D) Three hundred million dollars (\$300,000,000) shall be
15 transferred to the Self-Help Housing Fund created by Section
16 50697.1. These funds shall be available to the Department of
17 Housing and Community Development, to be expended for the
18 purposes of enabling households to become or remain homeowners
19 pursuant to the CalHome Program authorized by Chapter 6
20 (commencing with Section 50650) of Part 2, except ten million
21 dollars (\$10,000,000) shall be expended for construction
22 management under the California Self-Help Housing Program
23 pursuant to subdivision (b) of Section 50696.

24 (E) Two hundred million dollars (\$200,000,000) shall be
25 transferred to the Self-Help Housing Fund created by Section
26 50697.1. These funds shall be available to the California Housing
27 Finance Agency, to be expended for the purposes of the California
28 Homebuyer's Downpayment Assistance Program authorized by
29 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
30 hundred million dollars (\$100,000,000) of these funds may be
31 expended pursuant to subdivision (b) of Section 51504.

32 (F) One hundred million dollars (\$100,000,000) shall be
33 transferred to the Affordable Housing Innovation Fund, which is
34 hereby created in the State Treasury, to be administered by the
35 Department of Housing and Community Development. Funds shall
36 be expended for competitive grants or loans to sponsoring entities
37 that develop, own, lend, or invest in affordable housing and used
38 to create pilot programs to demonstrate innovative, cost-saving
39 approaches to creating or preserving affordable housing. Specific
40 criteria establishing eligibility for and use of the funds shall be

1 established in statute as approved by a $\frac{2}{3}$ *two-thirds* vote of each
2 house of the Legislature. Any funds not encumbered for the
3 purposes set forth in this subparagraph within 30 months of
4 availability shall revert to the Self-Help Housing Fund created by
5 Section 50697.1 and shall be available for the purposes described
6 in subparagraph (D).

7 (G) One hundred twenty-five million dollars (\$125,000,000)
8 shall be transferred to the Building Equity and Growth in
9 Neighborhoods Fund to be used for the Building Equity and
10 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
11 14.5 (commencing with Section 50860) of Part 1. Any funds not
12 encumbered for the purposes set forth in this subparagraph within
13 30 months of availability shall revert for general use in the
14 CalHome Program.

15 (H) Fifty million dollars (\$50,000,000) shall be transferred to
16 the Emergency Housing and Assistance Fund to be distributed in
17 the form of capital development grants under the Emergency
18 Housing and Assistance Program authorized by Chapter 11.5
19 (commencing with Section 50800) of Part 2 of Division 31. The
20 funds shall be administered by the Department of Housing and
21 Community Development in a manner consistent with the
22 restrictions and authorizations contained in Provision 3 of Item
23 2240-105-0001 of the Budget Act of 2000, except that any
24 appropriations in that item shall not apply. The competitive system
25 used by the department shall incorporate priorities set by the
26 designated local boards and their input as to the relative merits of
27 submitted applications from within the designated local board's
28 county in relation to those priorities. In addition, the funding
29 limitations contained in this section shall not apply to the
30 appropriation in that budget item.

31 (2) The Legislature may, from time to time, amend the
32 provisions of law related to programs to which funds are, or have
33 been, allocated pursuant to this subdivision for the purpose of
34 improving the efficiency and effectiveness of the program, or for
35 the purpose of furthering the goals of the program.

36 (3) The Bureau of State Audits shall conduct periodic audits to
37 ensure that bond proceeds are awarded in a timely fashion and in
38 a manner consistent with the requirements of this subdivision, and
39 that awardees of bond proceeds are using funds in compliance with

1 applicable provisions of this subdivision. The first audit shall be
2 conducted no later than one year from voter approval of this part.

3 (4) In its annual report to the Legislature, the Department of
4 Housing and Community Development shall report how funds that
5 were made available pursuant to this subdivision and allocated in
6 the prior year were expended. The department shall make the report
7 available to the public on its Internet Web site.

8 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
9 deposited in the Regional Planning, Housing, and Infill Incentive
10 Account, which is hereby created in the fund. Funds in the account
11 shall be available, upon appropriation by the Legislature, and
12 subject to such other conditions and criteria as the Legislature may
13 provide in statute, for the following purposes:

14 (1) For infill incentive grants for capital outlay related to infill
15 housing development and other related infill development,
16 including, but not limited to, all of the following:

17 (A) No more than two hundred million dollars (\$200,000,000)
18 for park creation, development, or rehabilitation to encourage infill
19 development.

20 (B) Water, sewer, or other public infrastructure costs associated
21 with infill development.

22 (C) Transportation improvements related to infill development
23 projects.

24 (D) Traffic mitigation.

25 (2) For brownfield cleanup that promotes infill housing
26 development and other related infill development consistent with
27 regional and local plans.

28 (c) Three hundred million dollars (\$300,000,000) to be deposited
29 in the Transit-Oriented Development Account, which is hereby
30 created in the fund, for transfer to the Transit-Oriented
31 Development Implementation Fund, for expenditure, upon
32 appropriation by the Legislature, pursuant to the Transit-Oriented
33 Development Implementation Program authorized by Part 13
34 (commencing with Section 53560).

35 (d) Two hundred million dollars (\$200,000,000) shall be
36 deposited in the Housing Urban-Suburban-and-Rural Parks
37 Account, which is hereby created in the fund. Funds in the account
38 shall be available upon appropriation by the Legislature for
39 housing-related parks grants in urban, suburban, and rural areas,

1 subject to the conditions and criteria that the Legislature may
2 provide in statute.

3 *(e) To the extent allowed under the Housing and Emergency*
4 *Shelter Trust Fund Act of 2006, the department shall require a*
5 *recipient of a loan or grant under this section to implement any*
6 *program or project funded under the loan or grant by purchasing*
7 *and making available, to the maximum extent feasible, housing*
8 *that has been rehabilitated, has been the subject of foreclosure,*
9 *or is at immediate risk of foreclosure.*

10 ~~SECTION 1. It is the intent of the Legislature to enact~~
11 ~~legislation to protect the public's safety.~~